

Article - Insurance

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§15–1010.

- (a) (1) In this section the following words have the meanings indicated.
- (2) “Adverse benefit determination” means:
 - (i) a denial, reduction, or termination of a disability benefit;
 - (ii) a failure to provide or make payment, in whole or in part, for a disability benefit; or
 - (iii) any denial, reduction, termination, or failure to provide or make payment that is based on a determination of an individual’s eligibility for coverage of a disability benefit.
- (3) (i) “Disability benefit” means a benefit that is payable based on the disability of a covered individual.
- (ii) “Disability benefit” does not include:
 - 1. long–term care insurance;
 - 2. a benefit that is payable based solely on a dismemberment of a covered individual;
 - 3. benefits in a life insurance policy that operate to safeguard the contract from lapse or to provide a special surrender value, special benefit, or annuity in the event of total and permanent disability; or
 - 4. benefits in a health insurance policy that operate to safeguard the contract from lapse due to disability.
- (b) (1) The Commissioner shall adopt regulations that establish standards governing the processing of claims by an insurer that:
 - (i) issues or delivers individual policies in the State that include a disability benefit; or
 - (ii) issues or delivers group policies in the State that include a disability benefit.

(2) The regulations adopted under this subsection shall establish and maintain reasonable claims procedures governing the filing of disability benefit claims, including:

- (i) notification of an adverse benefit determination; and
- (ii) an appeal by an insured or the insured's authorized representative of an insurer's adverse benefit determination.

(3) The claims procedures established for both individual and group policies under this subsection shall be consistent with the provisions of the Department of Labor's regulation entitled "Employee Retirement Income Security Act of 1974, Rules and Regulations for Administration and Enforcement; Claims Procedure; Final Rule" (29 C.F.R. 2560).

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